



April 23, 2009

Ms. Terri Janison, President
Board of Trustees
Clark County School District
Edward A. Greer Education Center, Board Room
2832 East Flamingo Road
Las Vegas, NV 89121

LAS VEGAS CITY COUNCIL

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(INTERIM)

Dear Ms. Janison:

In response to the staff report prepared by Mr. Jeff Weiler for Item 7.01 and Item 7.02 on the April 23rd Board Agenda, I would like to submit this written testimony to be entered into the public record.

Mr. Weiler's staff report correctly identifies that education (the Clark County School District) could incur an annual expenditure impact of \$824,759, based on the report entitled "Proposed Tourism Improvement District" prepared by Applied Analysis on November 30, 2008 as amended February 27, 2009.

The staff report also concludes that the TID project would not yield any additional revenue to offset this annual expenditure impact. This conclusion is not supported by the Applied Analysis report. On the contrary, the proposed TID project would create new revenue sources which would be dedicated for meeting this education expense. As enumerated on page 2 and page 3 of the enclosure to this letter, these revenue sources would yield \$1,504,104 in annual revenue for education.

The resulting net fiscal impact, as supported by the Applied Analysis report, is \$679,344 in additional, positive net revenue for the education system. The Applied Analysis report demonstrates that education and the Clark County School District would benefit more with the TID and the corresponding project than without the TID and the project.

I appreciate your consideration of this written testimony.

Respectfully,

A handwritten signature in blue ink, appearing to read "Bill Arent", is written over a horizontal line.

Bill Arent, CEcD
Acting Director

Enclosure

cc: Elizabeth N. Fretwell, City Manager
Scott D. Adams, Chief Urban Redevelopment Officer

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Tourism Improvement District (TID)

Selected Report Excerpts and Analysis of Education Funding

SUMMARY OF FISCAL IMPACTS**After Allocation of Revenues to the District**

	Including Casino	Excluding Casino
Revenue:		
Sales and Use Tax	\$1,856,808	\$1,856,808
Property Tax	\$1,700,362	\$1,584,622
Gaming Percentage Fees	\$2,881,281	\$0
Other Gaming Fees and Charges	\$554,900	\$0
Modified Business Tax	\$452,706	\$408,770
Transient Lodging Tax	\$1,962,331	\$1,962,331
Other State and Local Revenue (a)	<u>\$19,936,022</u>	<u>\$17,245,729</u>
Total Revenue	\$29,344,411	\$23,058,260
Expenditures:		
Education/Clark County School District	\$953,420	\$824,759
Police Protection/LVMPD	\$652,230	\$574,475
Fire and Rescue/Las Vegas Fire Department	\$512,304	\$455,472
Other State and Local Expenditures (a)	<u>\$18,224,805</u>	<u>\$15,765,434</u>
Total Expenditures	\$20,342,759	\$17,620,141
Net Fiscal Effect	\$9,001,651	\$5,438,119
Pro Forma Adjustment (a)	<u>(\$1,711,217)</u>	<u>(\$1,480,294)</u>
Pro Forma Adjusted Net Fiscal Effect	\$7,290,434	\$3,957,825

Source: Proposed Tourism Improvement District: An Analysis of Selected Regulatory Requirements, November 30, 2008 (amended February 27, 2009)

(a) Other state and local revenues and expenditures reflect estimates of all government activity (excluding those specifically identified). The estimates are based on US Census of Governments datasets and account for all government activity. While the gross revenues and gross expenditure figures are material, the net impact is \$1.7 million and \$1.5 million in the including and excluding casino scenarios, respectively.

Tourism Improvement District (TID)

Selected Report Excerpts and Analysis of Education Funding

SELECTED MAJOR REVENUE SOURCES

(red figures inure directly to education funding or indirectly through the state general fund; summary and allocation located on page 3)

Sales and Use Taxes	Tax Rate	Total (1)	Public Entities (2)	Proposed TID (2)
State Sales and Use Tax	2.00%	\$1,275,472	\$326,043	\$949,430
Local School Support Tax (LSST)	2.25%	\$1,434,906	\$366,798	\$1,068,108
Basic City-County Relief Tax (BCCRT)	0.50%	\$318,868	\$81,511	\$237,357
Supplemental City-County Relief Tax (SCCRT)	1.75%	\$1,116,038	\$285,287	\$830,751
County Options (various)	1.25%	\$797,170	\$797,170	\$0
Total	7.75%	\$4,942,455	\$1,856,808	\$3,085,646

(1) Based on taxable retail sales of \$63.8 million (see Exhibit 12 on page 14 of analysis).

(2) Allocated based on 75 percent to TID (less fee of 0.75 percent) with the balance inuring to public entities.

Property Tax	Tax Rate	Total (1)	Public Entities	Proposed TID
State, County and School (excluding debt rate)	0.3949	\$191,293	\$191,293	\$0
Clark County School District Debt (2)	0.4336	\$210,030	\$210,030	\$0
Las Vegas City	0.1542	\$74,680	\$74,680	\$0
Las Vegas City Fire Safety	0.0950	\$46,017	\$46,017	\$0
Las Vegas/Clark County Library	0.0178	\$8,611	\$8,611	\$0
Las Vegas/Clark County Library Debt	0.0020	\$949	\$949	\$0
Las Vegas Artesian Groundwater Basin	0.0002	\$88	\$88	\$0
LVMPD Emergency 9-1-1	0.0011	\$552	\$552	\$0
Las Vegas Redevelopment Area	1.9544	\$946,693	\$946,693	\$0
LVMPD Manpower Supplement - LV	0.2182	\$105,709	\$105,709	\$0
Total	3.2714	\$1,584,622	\$1,584,622	\$0

(1) Based on assessed value of \$48.4 million.

(2) Represents the portion of the Clark County School District debt rate that is voter approved and do not inure to the RDA.
(Pursuant to the debt rate provisions set forth in Senate Bill 312 (1997 Legislative Session))

Modified Business Tax	Tax Rate	Total (1)	Public Entities	Proposed TID
State General Fund	0.63%	\$408,770	\$408,770	\$0

(1) Based on wages of \$76.3 million (adjusted for health insurance deduction).

Transient Lodging Tax	Tax Rate	Total (1)	Public Entities	Proposed TID
State of Nevada	0.38%	\$66,898	\$66,898	\$0
Clark County School District	1.63%	\$289,890	\$289,890	\$0
Collecting Jurisdiction	1.00%	\$178,394	\$178,394	\$0
Clark County Transportation	1.00%	\$178,394	\$178,394	\$0
Fremont Street Experience	2.00%	\$356,788	\$356,788	\$0
Las Vegas Convention and Visitors Authority	5.00%	\$891,969	\$891,969	\$0
Total - Effective Until March 18, 2009	11.00%	\$1,962,331	\$1,962,331	\$0
Amendment to Transient Lodging Tax (2)	2.00%	\$356,788	\$356,788	\$0
Amended Total	13.00%	\$2,319,119	\$2,319,119	\$0

(1) Based on room revenue of \$17.8 million.

(2) Based on increase in room tax authorized by Initiative Petition No. 1 (2009 Nevada Legislature)

Tourism Improvement District (TID)

Selected Report Excerpts and Analysis of Education Funding

SUMMARY OF PUBLIC REVENUES AND EXPENDITURES POTENTIALLY IMPACTING EDUCATION

	With TID and Project		Without TID and
	To State and Ed.	To Education	Project
Total Public Revenues to Potentially Benefit Public Education:			
Sales and Use Taxes:			
State Sales and Use Tax Component (1)	\$326,043	\$114,115	\$0
Local School Support Tax (LSST) (2)	\$366,798	\$366,798	\$0
Property Tax (2)	\$210,030	\$210,030	\$0
Modified Business Taxes (1)	\$408,770	\$143,069	\$0
Transient Lodging Taxes:			
State of Nevada (1)	\$66,898	\$23,414	\$0
Clark County School District (2)	\$289,890	\$289,890	\$0
Amendment to Transient Lodging Tax (IP No. 1) (2)	\$356,788	\$356,788	\$0
Total Potential Public Revenues	\$2,025,215	\$1,504,104	\$0
Total Estimated Expenditures (3)		(\$824,759)	\$0
Net Potential Impact on Education System		\$679,344	\$0

General Note: Dollars directly deposited in the State's distributive school account and general fund appropriations supporting education are distributed by formula to the state's school districts. Although those tax dollars go to education programs, it is not readily determinable how much of those payments would inure directly back to the Clark County School District.

(1) Assumes approximately 35 percent of funding to the state general fund is allocable to education.

(2) Assumes 100 percent of the funding is allocable to education.

(3) Based on the scenario modeled on page 24 of analysis (assumes 25 percent of workers originate from outside the market).